Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

US History; Ms. Zeins

**Economic Concepts Identification Worksheet**

*Directions: Read the short explanations that illustrate six of the economic concept discussed today. Decide which concept is the focus of the situation, explain that concept, and then evidence for your answer. You may use the word bank to help you!*

**Word Bank:**

Monopoly Horizontal Integration Vertical Integration

Capitalism Social Darwinism Laissez-Faire

|  |  |  |  |
| --- | --- | --- | --- |
| **Situation** | **Concept** | **Concept Explained** | **How You Know**  **(*evidence from your notes or the situation)*** |
| A new steel company is opened that is going to produce steel for all the major railroad companies in the United States. Rather than the government owning this, the factories, equipment, and other means of production are all bought and owned by one person- Ms. Zeins. Because Ms. Zeins privately owns all of the factors of production for this steel industry, she makes all the profits and becomes very rich. |  |  |  |
| It has been a hard year for the automobile industry because people aren’t buying cars, and certain car companies are running out of money. They are going to be shut down if the government does not do something to help them. GM, a major car company, fights with congress in order to get the government to give them money. But, Obama decides that he is not going to interfere because that would go against the market forces. Obama believes in “hands off” policies that means that the market would regulate itself. He decides NOT to help out GM. |  |  |  |
| Ms. Zeins loves soda. One day, she comes into a lot of money and decides that she is going to buy the Pepsi company. After buying Pepsi, Ms. Zeins then goes on to also buy Coca Cola, and then eventually RC Cola. She figures that if she owns all the businesses in a particular field, that competition will be reduced and she can gain control of the entire soda industry. |  |  |  |
| A small snack shop opens on the corner of Boston Street and Highland Street. They are going to sell chips and pizza, and target FAST students during their lunch periods and after school. Chipotle is upset that this is put in, because they feel as though this is going to hurt their business. They ask the mayor of Baltimore to shut down the new store, but she says no because she believes that government should leave businesses alone to succeed or fail. Her argument is that the best business will survive, and that it is not her responsibility to close down the new corner store. Which economic concept does she support? |  |  |  |
| Nike is tired of the competition by Adidas and New Balance when it comes to their athletic sneakers. The CEO of Nike decides that he is going to buy out Adidas, and then force New Balance into bankruptcy by dropping the price of Nikes and making it so that no one wants to buy New Balance any more. Many sneaker companies go bankrupt or are bought out, and Nike dominates the sneaker business. |  |  |  |
| CricKet decides that they are going to come up with a new business plan that gives them more control over the cell phone industry. The CEO decides that he is going to start by buying the company that produces the plastic that makes the outside of the phone. He then buys the company that make the SIM cards, and also the company that creates the packaging for the phones to go in on shipment. Because many of the phones are sent via airplane, he buys the airline that they more frequently are sent on. With this, he gains control of the entire industry. |  |  |  |